Post Office Box 188 • Chualar, California 93925-0188 District Office (831) 679-2504 • School (831) 679-2313 Fax (831) 679-2071

June 21, 2001

Honorable John M. Phillips Presiding Judge of the Superior Court - 2001 Grand Jury – County of Monterey Salinas, CA 93901

Dear Judge Phillips:

In response to the 2000 Final Report of the Monterey County Civil Grand Jury, regarding the Chualar Union Elementary School District Response to the four findings regarding the use of California State Lottery Funds in Monterey County, please see attached document.

We trust that this response satisfies the Grand Jury's requirements: nevertheless, feel free to contact me at 679-2504, if additional information is needed.

Respectfully,

Dr. Robert Aguilar

Interim Superintendent

Chualar Union Elementary School District

Grand Jury Responses to the Four Finding of their Final Report

Please find below the Chualar Union Elementary School District's response to each of the four findings from the 2000 Monterey County Civil Grand Jury's "Comparison Study of School Districts" as found in their Final Report.

#1: Sixteen of the 19 responding school district and one community college responding to the Grand Jury's survey spend lottery fund on employee salaries.

Response to finding #1

Chualar Union Elementary School District has not spent any Lottery Funds on employee's salaries.

#2: At the time of the Grand Jury's survey, there was no evidence that any lottery education revenues were being spent for prohibited purposes in the Monterey County.

Response to finding #2

Chualar School District agrees with this finding, our school district has not spent any Lottery education revenues for prohibited purposes.

#3: Four of the 19 responding school district place lottery money in their general funds without further tracking. This does not comply with the California Government Code, Section 8880.5. In addition, these school districts will be unable to verify compliance with the Cardenas Textbook Act of 2000.

Response to finding #3

Our school district places lottery funds in sub-funds, which allow us to track this funding and places us in compliance with the Cardenas Textbook Act of 2000.

#4: Fifteen of the 19 responding school districts, both community colleges, and the County Superintendent do have special tracking accounts. However, for many of the reporting district, these designated accounts do not contain sufficient detail to verify compliance with the Cardenas Textbook Act of 2000.

Response to finding #4

District expenditures are in compliance with the Cardenas Textbook Act of 2000, our district has sufficient detail in our designated account.